Medicare Prescription Drug Coverage
(also known as Medicare Part D)

Frequently Asked Questions for those on Medicare AND MassHealth
(also known as dual eligibles)

Prescription Drug Coverage Changes

What is changing?

Your prescription drugs are currently covered through MassHealth. On January 1, 2006, Medicare will begin to provide prescription drug coverage for all Medicare beneficiaries, including those with both Medicare and MassHealth. At that time, MassHealth will no longer cover *most* of your prescription drugs.

What drugs will MassHealth continue to cover that are not covered by Medicare prescription drug coverage?

MassHealth will continue to cover certain classes of drugs since they are not part of the Medicare prescription drug coverage. These classes are benzodiazepines (which include anti-anxiety and antiseizure drugs such as lorazepam and clonazepam), certain over-the-counter drugs (such as acetaminophen and ibuprofen), and barbiturates (such as Phenobarbital and Mebaral).

Why is this change happening?

Congress passed a law in December 2003, creating a new Medicare prescription drug benefit for all people with Medicare, including those with both Medicare and MassHealth. People who are eligible for both programs are sometimes referred to as "dual eligibles" or "dually eligible." Since Medicare will provide prescription drug coverage beginning January 1, 2006, MassHealth will no longer provide your coverage for those drugs. As noted above, you will continue to receive MassHealth drug coverage for certain drugs not covered by the Medicare prescription drug benefit.

Medicare Prescription Drug Plans - Enrollment Process

How will Medicare drug coverage work?

Medicare prescription drug coverage will be provided by Medicare prescription drug plans. Medicare is working with insurance companies and other private companies to offer these plans. All people with Medicare who want to receive prescription drug coverage must choose a plan and enroll in that plan. There will be several plans to choose from in Massachusetts. Because you have both Medicare and MassHealth, Medicare will automatically enroll you into a randomly chosen plan *if you do not choose a prescription drug plan by December 31, 2005*. This will ensure that you will continue to receive prescription drug coverage for Medicare Part D drug plan covered drugs when your MassHealth drug coverage ends December 31, 2005. However, you do not need to remain with the plan that Medicare selects for you. Please choose a plan carefully, as the plan that Medicare chooses for you may not cover the drugs that you currently take.

How will coverage work if I am currently a member of a Medicare managed care plan?

Medicare Advantage plans (Medicare managed care plans such as Blue Care 65, Fallon Senior Plans, First Seniority, and Secure Horizons) will each offer at least one plan with prescription drug coverage. If you would like to stay with your Medicare Advantage plan, you do not need to do anything to receive Medicare prescription drug coverage. **IMPORTANT:** You may choose and enroll in a different Medicare prescription drug plan. In that case, you will be automatically disenrolled from your Medicare Advantage plan and will receive your Medicare benefits through the Medicare fee-for-service program.

How will coverage work if I am currently enrolled with the PACE or SCO program?

People with Medicare who are in a Program of All-Inclusive Care for the Elderly (PACE) (in Massachusetts known as an Elder Service Plan) or a Senior Care Organization (SCO) will continue receiving prescription drug coverage through the PACE or SCO plan and should not enroll in a Medicare prescription drug plan. If you are in a PACE program or SCO, please call your plan if you need more information. If you disenroll from PACE or SCO, these programs will no longer provide your prescription drug coverage. In that case, Medicare will automatically enroll you into a randomly selected Medicare prescription drug plan or, if you prefer, you may select and enroll in a Medicare prescription drug plan.

How will coverage work if I reside in a long-term care institution?

Residents of institutions, such as nursing homes, intermediate care facilities for the mentally retarded (ICFs/MR), and residential psychiatric treatment centers, must also enroll in a prescription drug plan to continue to receive prescription drug coverage. If you are in one of these institutions, you are exempt from paying copayments for Medicare prescription drug coverage. Contact MassHealth Customer Service if you are not sure if you are exempt from copayments based on your residence (contact information is included in the resource list at the end of this document).

When do I need to choose and enroll in a plan?

You can choose and enroll in a plan starting November 15, 2005. Because you are dually eligible, if you do not choose and enroll in a plan by December 31, 2005, Medicare will automatically enroll you into a randomly selected prescription drug plan. This will ensure that you will continue to receive prescription drug coverage when your MassHealth prescription drug coverage ends December 31, 2005, for Medicare Part D covered drugs. You will be able to switch plans at any time, effective the first day of the next month.

How do I enroll in a plan?

In order to enroll in a plan, you will need to call the company that offers the plan you choose. <u>If you do not enroll in a plan by December 31, 2005, Medicare will randomly select a plan for you and enroll you into that plan.</u>

When will I get information on the Medicare prescription drug plans available in Massachusetts?

In October 2005, Medicare will mail you a notice with more information about the Medicare prescription drug coverage, including the name of the prescription drug plan Medicare has randomly selected for you, and will enroll you into if you don't enroll in a plan by December 31, 2005.

For more information about the Medicare prescription drug coverage, read the *Medicare & You 2006* handbook you will get in the mail from Medicare in October 2005. It will include more detailed information about Medicare prescription drug plans, including which plans will be available in Massachusetts. You may also call 1-800-MEDICARE (1-800-633-4227) for information and assistance or visit the www.medicare.gov Web site.

Can I switch prescription drug plans later?

Yes. If there is another Medicare prescription drug plan in your area that better meets your needs, you can change to another plan at any time, effective the first day of the next month.

Can I choose NOT to be in a Medicare prescription drug plan?

Medicare prescription drug coverage is a voluntary program. However, as of January 1, 2006, you will no longer have MassHealth coverage for most prescription drugs. In order to continue to receive prescription drug coverage, you must be enrolled with a Medicare prescription drug plan by December 31, 2005.

Medicare Prescription Drug Coverage Costs - Extra Help

What will I pay in Medicare prescription drug plan costs?

Medicare will provide extra help with your Medicare prescription drug plan costs. Depending on the plan you choose, you will pay either no premium or a small monthly premium, no yearly deductible, and only $0-$5 copayments for each prescription. Because you receive MassHealth coverage now, you don't need to apply for this extra help. You should have received a letter from Medicare in late May 2005 or early June 2005 confirming that you are eligible for this extra help. If you did not receive this letter, or have any questions, you may call 1-800-MEDICARE (1-800-633-4227).

How long will Medicare provide this extra help?

The extra help is guaranteed for each calendar year. At the end of the year, Medicare will verify that you are still eligible for MassHealth, and the extra help will continue. If you are no longer on MassHealth at that point, you can apply for the extra help through a MassHealth Enrollment Center or through the Social Security Administration.

Will people lose their food stamp benefits or housing assistance if they apply and qualify for extra help paying for the new Medicare prescription drug coverage?

If you have questions about how enrolling in a Medicare drug plan could impact your food stamp or housing assistance, please contact Medicare at 1-800-MEDICARE (1-800-633-4227).

What if I get prescription drug coverage through my employer or union?

If you receive prescription drug coverage through your past or current employer or union, and the coverage you receive is at least as good as the Medicare prescription drug coverage, you may not need to make any changes. Talk with your employer's or union's benefits administrator for more information about your current prescription drug coverage. They will let you know whether the coverage they provide is at least as good as the Medicare prescription drug coverage.

The company providing your employer or retiree drug coverage will send you a letter this fall letting you know whether your drug coverage is at least as good as Medicare drug coverage ("creditable coverage"). If the coverage they provide is at least as good as the Medicare prescription drug coverage, then you should compare it to the Medicare prescription drug coverage and make a decision that best meets your needs. If the coverage your employer or union provides is not at least as good as the Medicare prescription drug coverage, then you should take the Medicare prescription drug coverage.

What is the late enrollment penalty?

You will be subject to a late enrollment penalty if you do not enroll in a Medicare prescription drug plan when you are first eligible for it. (You are eligible for Medicare drug coverage when you become eligible for Medicare Part A or enroll in Medicare Part B.) This penalty does not apply if you receive coverage through an employer or union that is at least as good as the Medicare prescription drug coverage. However, if you lose coverage from the employer or union, then you must enroll in a Medicare prescription drug plan at that time in order to avoid the late enrollment penalty.

Drugs Covered (Drug Plan Formularies)

What is a formulary?

A formulary is the list of prescription drugs that will be covered by a drug plan. Prescription drug plans may have different formularies so it is important to review plans carefully to be sure the plan you select covers the drugs that you take.

Will I be able to compare formularies beforehand?

Yes. Formulary information will be available from drug plans in October 2005, allowing you to compare formularies as you choose a drug plan. You may also access plan formulary information through the Medicare prescription drug plan tool that will be launched during the fall of 2005 on www.medicare.gov.

What is a tiered cost-sharing structure (or "tiered formulary")?

Drug plans may create tiered cost-sharing arrangements whereby certain "preferred" formulary drugs will be placed on a lower tier and have lower copayments than "nonpreferred" formulary drugs, which will be placed on a higher tier and have higher copayments. The Medicare drug plan will inform you as to which drugs require higher copayments.

What drugs are included as part of the Medicare prescription coverage?

Medicare prescription drug coverage includes prescription drugs, biological products, insulin, vaccines, and certain medical supplies associated with the injection of insulin (syringes, needles, alcohol swabs, and gauze).

Medicare requires Medicare prescription drug plans to include on their formularies at least two drugs in every therapeutic category and class. Medicare will review the formularies to make sure they are adequate, but individual Medicare prescription drug plan formularies may vary, so it is important to review plan formularies carefully.

Of note, Medicare is requiring "all or substantially all" of the drugs in the following drug categories to be on plan formularies: antidepressant, antipsychotic, anticonvulsant, anticancer, immunosuppressant, and HIV/AIDS. For further or more specific information, call 1-800-MEDICARE (1-800-633-4227).

What drugs are not included as part of the Medicare prescription drug coverage?

Certain drugs or classes of drugs cannot be covered by the Medicare drug benefit. These include: (1) drugs when used for anorexia, weight loss, or weight gain; (2) drugs when used to promote fertility; (3) drugs when used for cosmetic purposes or hair growth; (4) drugs when used for the symptomatic relief of cough and colds; (5) prescription vitamins and mineral products, except prenatal vitamins and fluoride preparations; (6) nonprescription drugs; (7) outpatient drugs for which the manufacturer seeks to require that associated tests or monitoring services be purchased exclusively from the manufacturer as a condition of sale; (8) barbiturates; and (9) benzodiazepines. In addition, a drug cannot be covered under the Medicare drug benefit if payment for that drug is covered under Part A or B of Medicare. (See below for drugs on this list that MassHealth will continue to cover.)

Will MassHealth continue to provide coverage for dual eligibles for any of the drugs that are excluded from coverage under the Medicare prescription drug benefit?

MassHealth will continue to cover the following classes of drugs that are excluded from Medicare Part D: barbiturates (examples include Phenobarbital and Mebaral), benzodiazepines (examples include Lorazepam and Clonazepam), and certain nonprescription or over-the-counter drugs (examples include ibuprofen and acetaminophen).

What drugs will be covered under Medicare Part B vs. the Medicare prescription drug benefit (Part D)?

The implementation of the Medicare prescription drug benefit does not alter coverage or associated rules for drugs currently covered under Medicare Part B. Medicare Part B is medical insurance that helps pay for doctors' services, outpatient hospital care, and other medical services that are not covered by Medicare Part A (inpatient hospital insurance). Part B also covers drugs in a variety of settings, particularly drugs administered by physicians in the physician's office. If you need more information call 1-800-MEDICARE (1-800-633-4227).

Can a plan change its formulary during the year?

A prescription drug plan may not change the <u>therapeutic categories and classes</u> of drugs in a formulary other than at the beginning of each year (except as Medicare may permit to account for new therapeutic uses and newly approved Medicare prescription drug benefit drugs). Formulary changes are not permitted between the beginning of the initial enrollment period and 60 days following the beginning of the year. After that point, Medicare prescription drug plans can ask Medicare for permission to make specific drug changes (removing a covered Medicare Part D drug from the formulary or changing the preferred or tiered cost-sharing status of a covered Medicare Part D drug). Plans may request formulary changes monthly, and if Medicare approves the change the plan must notify providers and plan members about the changes.

Pharmacy Access

What pharmacies can a beneficiary go to?

You may go to any pharmacy that is in the network of the prescription drug plan you choose. There may be instances in which you may need to get drugs from an out-of-network pharmacy (for example, if you are traveling outside your plan's service area and are not able to access a network pharmacy, or if the prescription you need is not available at an accessible network pharmacy). The prescription drug plans will develop policies about when you may use an out-of-network pharmacy.

What happens if a beneficiary needs to go to an out-of-network pharmacy?

Plans are required to provide adequate access to drugs dispensed at out-of-network pharmacies when a plan member cannot reasonably be expected to obtain covered Part D medications at a network pharmacy. Medicare suggests such circumstances would include if plan members are (1) traveling outside their plan's service area and run out of or lose their covered Part D drugs, or become ill and need a covered Part D drug and cannot access a network pharmacy; (2) not able to obtain a covered Part D drug in a timely manner within their service area because, for example, there is no network pharmacy within a reasonable driving distance that provides 24 hour service; (3) filling a prescription for a covered Part D drug and that particular drug is not regularly stocked at accessible network retail or mail-order pharmacies); (4) administered a vaccine covered by Part D in a physician's office; and (5) provided covered Part D drugs dispensed by an out-of-network institution-based pharmacy while in an emergency department, provider-based clinic, outpatient surgery, or other outpatient setting.

Medicare prescription drug plans will have some flexibility to establish reasonable rules to ensure that enrollees use out-of-network pharmacies appropriately. Medicare will cover any additional cost-sharing your prescription drug plan may require for use of out-of-network pharmacies.

Exceptions and Appeals

What happens if my doctor says I need a drug that isn't on the formulary, or a drug that is "non-preferred" and requires a higher copayment? How do the exceptions and appeals processes work?

Medicare prescription drug plans and Medicare Advantage (for example, Medicare managed care) plans must have exceptions processes when a plan member, his or her appointed representative or prescriber wants a nonformulary drug, or wants a nonpreferred drug at a preferred drug's lower copayment. Beneficiaries should contact their plan first when they find out that their drug isn't on the formulary or is placed in a higher cost-sharing tier level (these drugs are referred to as nonpreferred drugs) to specifically request an **exception**.

If the plan denies an exception, then the enrollee can **appeal** the plan's decision. In general, the appeals system follows the Medicare Advantage process, which includes access to independent reviews of plan decisions.

For specific information on the Medicare prescription drug coverage exceptions and appeals process, please contact 1-800-MEDICARE (1-800-633-4227). In addition, the Medicare Advocacy Project can assist you with exceptions and appeals. This organization's contact information is included in the resource list at the end of this document.

Resources (Help Available)

What help is available to assist me with understanding Medicare drug coverage and with choosing a Medicare prescription drug plan that best meets my needs?

MassHealth Customer Service Center
1-800-841-2900
TTY: 1-800-497-4648 (for people with partial or total hearing loss)
www.mass.gov/masshealth

MassMedLine
1-866-633-1617
www.massmedline.com

MassMedLine is an information and referral source that can assist you with finding the Medicare Prescription Drug plan that best meets your needs. Pharmacists on staff can also answer your questions about the medications you take.

Medicare
1-800-MEDICARE (1-800-633-4227)
TTY: 1-877-486-2048 (for people with partial or total hearing loss)
www.medicare.gov (personalized information available)

Medicare Advocacy Project (for help with exceptions and appeals)
1-800-323-3205

SHINE (Serving the Health Information Needs of Elders)
1-800-AGE-INFO (1-800-243-4636), press 2
TTY: 1-800-872-0166 (for people with partial or total hearing loss)
www.medicareoutreach.org

The SHINE Program is a state health insurance assistance program that provides free health care information, assistance and counseling to Medicare beneficiaries of all ages.